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Related use refers to whether a charity will put a gift of tangible personal property, such as artwork or an antique car, to a use that is related to the organization's charitable purpose.

For example, a gift of artwork to an art museum that will hang it in its galleries clearly qualifies as a gift for a related use. The connection between the property and the charitable recipient does not have to be so obvious, however. For example, the IRS has ruled that a gift of porcelain art objects to a retirement home that put them on display was related to the retirement home's charitable purpose because the art objects enhanced the living environment for the residents.

Related use is important because the deduction for a gift of tangible personal property to a public charity is based on the fair market value of the property only if the charity will put it to a related use. Otherwise, the deduction is based on the donor's cost basis in the property. It is the donor's burden to prove related use to the IRS.

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